



City of Santa Barbara

Airport Department, Business & Properties Division

Memorandum

DATE: June 20, 2012

TO: Airport Commission

FROM: Karen Ramsdell, Airport Director

SUBJECT: Approval of Estoppel Certificate and Consent to Encumbrance of Leasehold Estate for 323 David Love Partnership

RECOMMENDATION: That Commission approve and authorize the Airport Director to execute a Lessor Estoppel Certificate and Consent to Encumbrance of Leasehold Estate for 323 David Love Partnership, at the Santa Barbara Airport.

DISCUSSION:

323 David Love Partnership, a California general partnership, has been a tenant at the Airport since 1992. An Assumption and Assignment of Lease was recorded with the partnership for 1.34 acres of land at 81 David Love Place on May 5, 1994. Improvements to the property consist of an 18,000 square foot building constructed by PacTuCo, Inc. Title to the improvements will revert to the City on November 30, 2032.

323 David Love Partnership encumbered the leasehold in 2000, with Santa Barbara Bank & Trust, to finance the conversion of open warehouse space to engineering offices, and again in 2003 to refinance the balance of the existing loan and add approximately \$150,000 for the purpose of replacing the roof.

At this time, the Partnership wishes to refinance the \$538,076.83 balance of the loan with Community West Bank, to take advantage of current lower interest rates. The property was valued in excess of \$2,000,000.

323 David Love Partnership is a tenant in good standing with the Airport and is requesting the City to execute and record a Lessor Estoppel Certificate and Consent to Encumbrance of Leasehold Estate, which gives notice that the Lessee is not in breach of the lease.